

Consolidated financial statements and accountants' compilation report
Sports Shinko (Hawaii) Co., Ltd. (a wholly-owned subsidiary of
Sports Shinko (USA) Co., Ltd.) and Subsidiaries
December 31, 2002

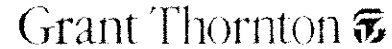
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EXHIBIT 3

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Accountants and Business Advisors

Accountants' Compilation Report

To the Board of Directors and Shareholder
Sports Shinko (Hawaii) Co., Ltd.

We have compiled the accompanying balance sheet of Sports Shinko (Hawaii) Co., Ltd. (a Hawaii corporation and a wholly-owned subsidiary of Sports Shinko (USA) Co., Ltd.) and Subsidiaries as of December 31, 2002, and the related statements of operations and accumulated deficit, and cash flows, and the supplementary information presented herein, for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements or supplementary information and, accordingly, do not express an opinion or any other form of assurance on them.

Management has elected to omit substantially all of the disclosures, presentation of which is required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the company's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

A handwritten signature in cursive script that reads "Grant Thornton".

Honolulu, Hawaii
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Sports Shinko (Hawaii) Co., Ltd.
(a wholly-owned subsidiary of Sports Shinko (USA) Co., Ltd.)
and Subsidiaries

CONSOLIDATED BALANCE SHEET

December 31, 2002

See Accountants' Compilation Report

ASSETS

| | |
|--|----|
| Cash | \$ |
| Accounts receivable, less allowance for doubtful accounts of | |
| Prepaid expenses and deposits | |
| Due from Resort Management | |
| Notes receivable - KG | |
| Interest receivable - KG | |
| Receivables - KG affiliates | |
| Property and equipment, net | |

\$

LIABILITIES AND SHAREHOLDER'S EQUITY (DEFICIT)

| | |
|---|----|
| Accounts payable and accrued liabilities | \$ |
| Customer deposits and deferred income | |
| Loan payable-bank | |
| Long-term debt - affiliates | |
| Accrued interest, due to shareholder and affiliate | |
| Shareholder's equity (deficit) | |
| Common stock; no par, 20,000 shares authorized; 19,998 shares issued and outstanding | \$ |
| Additional paid-in capital | |
| Accumulated deficit | |
| Less notes and interest receivable, shareholder, affiliates, and other | |

\$

Sports Shinko (Hawaii) Co., Ltd.
(a wholly-owned subsidiary of Sports Shinko (USA) Co., Ltd.)
and Subsidiaries

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED DEFICIT

Year ended December 31, 2002

See Accountants' Compilation Report

Other income (expenses)

Loss on foreign currency exchange
General and administrative
Interest income

\$
REDACTED

Loss from continuing operations

Discontinued operations

Golf course operations
Income from discontinued golf course operations
Adjustment to estimated loss on sale of golf course operations

REDACTED

Hotel operations

Loss from discontinued hotel operations
Adjustment to estimated loss on sale of hotel operations

Loss from discontinued operations

NET LOSS

REDACTED

Accumulated deficit at January 1, 2002

Accumulated deficit at December 31, 2002

\$

Sports Shinko (Hawaii) Co., Ltd.
(a wholly-owned subsidiary of Sports Shinko (USA) Co., Ltd.)
and Subsidiaries

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended December 31, 2002

See Accountants' Compilation Report

Cash flows from operating activities:

Net loss

Adjustments to reconcile net loss to net cash

used in operating activities of continuing operations:

Loss from discontinued operations

Depreciation and amortization

Loss on foreign currency exchange

Increase in accrued interest receivable

Increase in other

REDACTED

Net cash used in operating activities of continuing operations

Cash flows from investing activities:

Proceeds from sale of property

Payments on debt

Advances to affiliate

REDACTED

Net cash provided by investing activities
of continuing operations

Net cash provided by discontinued operations

NET DECREASE IN CASH AND CASH EQUIVALENTS

Cash and cash equivalents at January 1, 2002

Cash and cash equivalents at December 31, 2002

REDACTED

Supplemental disclosures of cash flow information

In connection with the sale of its property, the company received a note receivable from the buyer in the amount of _____ and the loan payable to the bank in the amount of _____ was paid off.

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SUPPLEMENTARY INFORMATION

Sports Shinko (Hawaii) Co., Ltd.
(a wholly owned subsidiary of Sports Shinko (USA) Co., Ltd.)
and Subsidiaries

CONSOLIDATING BALANCE SHEET

December 31, 2002

See Accountants' Compilation Report

| Sports Shinko (Hawaii) Co., Ltd. | Sports Shinko (Mainland) Co., Ltd. | Sports Shinko (Kauai) Co., Ltd. | Sports Shinko (Pauahi) Co., Ltd. | Pauahi STP Co., Ltd. | Sports Shinko Rentel Hotel Corporation | Japan recovery | Consolidating entries | Total |
|----------------------------------|------------------------------------|---------------------------------|----------------------------------|----------------------|--|----------------|-----------------------|--------|
| | | | | | | | Debit | Credit |

ASSETS

Cash
Accounts receivable
Prepaid expenses and deposits
Due from Resort Management
Notes receivable - KGO
Interest receivable - KGO
Receivables - KGO affiliates
Equipment, net
Investment in subsidiary companies

LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)

Accounts payable and accrued liabilities
Customer deposits and deferred income
Debt - bank
Debt - affiliates
Accrued interest due to shareholder and affiliate
Shareholder's equity (deficit)
Common stock
Additional paid-in capital
Accumulated deficit
Less notes and interest receivable, shareholders' affiliates, and others

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Sports Shinko (Tokyo) Co., Ltd.
 (a wholly-owned subsidiary of Sports Shinko (USA) Co., Ltd.)
 and Subsidiaries

CONSOLIDATING STATEMENT OF OPERATIONS

Year ended December 31, 2002

See Accountants' Compilation Report

| | Sports Shinko (Tokyo) Co., Ltd. | Sports Shinko (Osaka) Co., Ltd. | Sports Shinko (Kyoto) Co., Ltd. | Sports Shinko (Fukuoka) Co., Ltd. | Pukabun STP Co., Ltd. | Sports Shinko Resort Hotel Corporation | Japan account | Consolidating entries | Credit | Total |
|-----------------------------------|---------------------------------|---------------------------------|---------------------------------|-----------------------------------|-----------------------|--|---------------|-----------------------|--------|-------|
| Revenue | | | | | | | | | | |
| Hotel | | | | | | | | | | |
| Golf course | | | | | | | | | | |
| Public utility | | | | | | | | | | |
| Total revenue | | | | | | | | | | |
| Departmental expenses | | | | | | | | | | |
| Hotel | | | | | | | | | | |
| Golf course | | | | | | | | | | |
| Public utility | | | | | | | | | | |
| General and administrative | | | | | | | | | | |
| Total departmental expenses | | | | | | | | | | |
| Gross operating (loss) income | | | | | | | | | | |
| Other (income) expenses | | | | | | | | | | |
| Loss on foreign currency exchange | | | | | | | | | | |
| Loss (gain) on sale of assets | | | | | | | | | | |
| Interest, net of interest income | | | | | | | | | | |
| Depreciation and amortization | | | | | | | | | | |
| Total other expenses | | | | | | | | | | |
| NET LOSS INCOME | | | | | | | | | | |

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Sports Shinko (Malawi) Co., Ltd
is a wholly-owned subsidiary of Sports Shinko (Taiwan) Co., Ltd.
and Subsidiary

CONSOLIDATING BALANCE SHEET

December 31, 2002

See Accountants' Compilation Report

| | Sports Shinko (Malawi) Co., Ltd | Sure Transportation Co., Ltd | Consolidating entries | | Total |
|--|--|------------------------------------|-----------------------|--------|-------|
| | | | Debit | Credit | |

Assets

Cash

Accounts receivable

Prepaid expenses and deposits

Due from Resort Management

Note receivable-KG

Interest receivable-KG

LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)

Liabilities

Accounts payable and accrued liabilities

Debt

Accrued interest due to shareholder and affiliate

Shareholder's equity (deficit)

Common stock

Additional paid-in capital

Accumulated deficit

Less notes and interest receivable, shareholder, affiliate, and other

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Sports Shinko (Mililani) Co., Ltd.
(a wholly-owned subsidiary of Sports Shinko (Hawaii) Co., Ltd.)
and Subsidiary

CONSOLIDATING STATEMENT OF OPERATIONS

Year ended December 31, 2002

See Accountants' Compilation Report

| | Sports Shinko (Mililani) Co., Ltd. | Sure Transportation Co., Ltd. | Consolidating entries | Debit | Credit | Total |
|--|---|-------------------------------------|--------------------------|-------|--------|-------|
| Revenue | | | | | | |
| Golf Course | | | | | | |
| Total golf revenue | | | | | | |
| Other operating departments | | | | | | |
| Total revenue | | | | | | |
| Departmental expenses | | | | | | |
| Operating expenses | | | | | | |
| Total golf expenses | | | | | | |
| General and administrative | | | | | | |
| Real property tax and insurance | | | | | | |
| Total insurance and real property tax | | | | | | |
| Total departmental expenses | | | | | | |
| Gross operating income (loss) | | | | | | |
| Other expenses | | | | | | |
| Loss on sale of assets | | | | | | |
| Interest, net of interest income | | | | | | |
| Depreciation and amortization | | | | | | |
| Total other expenses | | | | | | |
| NET (LOSS) INCOME | | | | | | |

Sports Shunko Resort Hotel Corporation
(a wholly-owned subsidiary of Sports Shunko (Hawaii) Co., Ltd.)
and Subsidiaries

CONSOLIDATING BALANCE SHEET

December 31, 2002

See Accountants' Compliance Report

| | Sports Shunko Resort Hotel Corporation | Ocean Resort Hotel Corporation | Sports Shunko (Yakubu) Corporation | Consolidating entries | | Total |
|--|--|---|---|-----------------------|--------|-------|
| | | | | Debit | Credit | |

ASSETS

Cash

Accounts receivable

Prepaid expenses

Due from Resort Management

Notes receivable - KG

Interest receivable - KG

Receivable - KG affiliates

Investment in subsidiary companies

LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)

Accounts payable and accrued liabilities

Customer deposits and deferred income

Long-term debt

Accrued interest, due to shareholder and affiliate

Shareholder's equity (deficit):

Common stock

Additional paid-in capital

Accumulated deficit

Less notes and interest receivable, shareholder, affiliates and other

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Sports Shinko Resort Hotel Corporation
(a wholly-owned subsidiary of Sports Shinko (Hawaii) Co., Ltd.)
and Subsidiaries

CONSOLIDATING STATEMENT OF OPERATIONS

Year ended December 31, 2002

See Accountants' Compilation Report

| | Sports Shinko Resort Hotel Corporation | Ocean Resort Hotel Corporation | Sports Shinko (Waikiki) Corporation | Consolidating entries | Total |
|---|--|---|--|--------------------------|-------|
| | | | | Debit Credit | |
| Revenue | | | | | |
| Rooms | | | | | |
| Food and beverage | | | | | |
| Telephone | | | | | |
| Other operating departments | | | | | |
| Total revenue | | | | | |
| Departmental expenses | | | | | |
| Rooms | | | | | |
| Food and beverage | | | | | |
| Telephone | | | | | |
| Property operations and maintenance | | | | | |
| Energy | | | | | |
| Sales and marketing | | | | | |
| General and administrative | | | | | |
| Real estate taxes and insurance | | | | | |
| Total departmental expenses | | | | | |
| Gross operating loss | | | | | |
| Other (income) expenses | | | | | |
| Loss on foreign currency exchange | | | | | |
| Estimated loss on sale of hotel operations | | | | | |
| Interest, net of interest income | | | | | |
| Depreciation and amortization | | | | | |
| Total other (income) expenses | | | | | |
| NET INCOME (LOSS) | | | | | |

Sports Share (Waikiki) Corporation
 a wholly-owned subsidiary of Sports Share (Hawaii) Co., Ltd.
 and Subsidiaries

CONSOLIDATING BALANCE SHEET

December 31, 2002

See Accounting Comparison Report

| | Sports Share (Waikiki) Corporation | Queen Kaplan Hotel | Ocean Resort Hotel Waikiki | Consolidating entries | | Total |
|--|---|--------------------------|-------------------------------------|-----------------------|--------|-------|
| | | | | Debit | Credit | |

ASSETS

Cash

Accounts receivable

Prepaid expenses and deposits

Due from Resort Management

Notes receivable - KG

Interest receivable - KG

Receivable - KG affiliates

Investment in subsidiary company

LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)

Accounts payable and accrued liabilities

Customer deposits and deferred income

Debt

Accrued interest, due to shareholders and affiliates

Shareholder's equity (deficit):

Common stock

Additional paid-in capital

Accumulated deficit

Less notes and interest receivable, shareholder's advances, and other

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Sports Shunko (Waikiki) Corporation
(a wholly-owned subsidiary of Sports Shunko (Hawaii) Co., Ltd.)
and Subsidiaries

CONSOLIDATING STATEMENT OF OPERATIONS

Year ended December 31, 2002

See Accountants' Compilation Report

| | Sports Shunko (Waikiki) Corporation | Queen Kapiolani Hotel | Ocean Resort Hotel Waikiki | Consolidating entries | | Total |
|---|--|-----------------------------|-------------------------------------|--------------------------|--------|-------|
| | | | | Debit | Credit | |
| Revenue | | | | | | |
| Rooms | | | | | | |
| Food and beverage | | | | | | |
| Telephone | | | | | | |
| Other operating departments | | | | | | |
| Total revenue | | | | | | |
| Departmental expenses | | | | | | |
| Rooms | | | | | | |
| Food and beverage | | | | | | |
| Telephone | | | | | | |
| Property operations and maintenance | | | | | | |
| Energy | | | | | | |
| Sales and marketing | | | | | | |
| General and administrative | | | | | | |
| Real estate taxes and insurance | | | | | | |
| Total departmental expenses | | | | | | |
| Gross operating (loss) income | | | | | | |
| Other (income) expenses | | | | | | |
| Loss on foreign currency translation | | | | | | |
| Estimated loss on sale of hotel operations | | | | | | |
| Interest, net of interest income | | | | | | |
| Depreciation and amortization | | | | | | |
| Total other (income) expenses | | | | | | |
| NET (LOSS) INCOME | | | | | | |

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